health insurance exchanges so people can shop and find more different kinds of policies. Fifth, most all of us agree we need to encourage more health information technology and make health care simpler in that way. Perhaps we could even agree to change the tax incentives so that they don't all go to one group of people and are not going to lower and middle-income people.

There are four or five or six or seven ideas we could go step by step with to reduce costs. If we did that, we would be moving in the right direction. It is the wrong direction to start the health care debate with a vote that adds a quarter of a trillion dollars to the national debt at a time when we just added $1.4 trillion to the national debt in the past year. Of course we need to fix the doctors reimbursement, but it needs to be paid for by—it can't be added to the debt.

Whatever steps we take ought not just reduce the cost to the government; they need to reduce the costs to Americans, all of us who have health care insurance. Let's find ways to go step by step to reduce costs to the government and to reduce costs to premium holders and not start off by adding a quarter of a trillion dollars to the national debt.

EXHIBIT 1

[From the Tennessean]

DEFICIT LEAPS TO $1.4 TRILLION

(By Martin Crutsinger)

WASHINGTON.—What is $1.42 trillion? It's the federal budget deficit for 2009, more than three times the most red ink ever amassed in a single year.

It's more than the total national debt for the first 200 years of the republic, more than the entire economy of India, almost as much as Canada's, and more than $4,700 for every man, woman and child in the United States.

As a percentage of U.S. economic output, it's the biggest deficit since World War II.

And, some economists warn, unless the government makes hard decisions to cut spending or raise taxes, it could be the seeds of another economic crisis.

Treasury figures released Friday showed that the government spent $46.6 billion more in September than it took in, a month that normally records a surplus. That boosted the shortfall for the full fiscal year ending Sept. 30 to $1.42 trillion. The previous year's deficit was $459 billion.

''The rudderless U.S. fiscal policy is the biggest long-term risk to the U.S. economy,'' says Kenneth Rogoff, a Harvard professor and former chief economist for the International Monetary Fund. ''As we accumulate more and more debt, we leave ourselves very vulnerable.''

Forecasts of more red ink mean the federal government is heading toward spending 15 percent of its money by 2019 just to pay interest on the debt, up from 5 percent this fiscal year.

President Barack Obama has pledged to reduce the deficit once the Great Recession ends and the unemployment rate starts falling, but economists worry that the government lacks the will to make the hard political choices to get control of the imbalances.

Friday's report showed that the government paid $190 billion in interest over the last 12 months on Treasury securities sold to finance the federal debt. Experts say this tab could quadruple in a decade as the size of the government's total debt rises to $17.1 trillion by 2019.

Without significant budget cuts, that would crowd out government spending in such areas as transportation, law enforcement and education. Already, interest on the debt is the third-largest category of government spending, after the government's popular entitlement programs, including Social Security and Medicare, and the military.

As the biggest borrower in the world, the government has been the prime beneficiary of today's record low interest rates. The new budget report showed that interest payments fell by $62 billion this year even as the debt was soaring. Yields on three-month Treasury bills, sold every week by the Treasury to raise fresh cash to pay for maturing government debt, are now at 0.065 percent while six-month bills have fallen to 0.150 percent, the lowest ever in a half-century of selling these bills on a weekly basis.

The risk is that any significant increase in the rates at Treasury auctions could send the government's interest expenses soaring. That could happen several ways—higher inflation could push the Federal Reserve to increase the short-term interest rates it controls, or the dollar could slump in value, or a combination of both.

SPENDING LIKELY TO INCREASE

The Congressional Budget Office projects that the nation's debt held by investors both at home and abroad will increase by $9.1 trillion over the next decade, pushing the total to $17.1 trillion under Obama's spending plans.

The biggest factor behind this increase is the anticipated surge in government spending when the baby boomers retire and start receiving Social Security and Medicare benefits. Also contributing will be Obama's plans to extend the Bush tax cuts for everyone except the wealthy.

The $1.42 trillion deficit for 2009—which was less than the $1.75 trillion that Obama had projected in February—includes the cost of the government's financial sector bailout and the economic stimulus program passed in February. Individual and corporate income taxes dwindled as a result of the recession. Coupled with the impact of the Bush tax cuts earlier in the decade, tax revenues fell 16.6 percent, the biggest decline since 1932.

Immense as it was, many economists say the 2009 deficit was necessary to fight the financial crisis. But analysts worry about the long-term trajectory.

The administration estimates that government debt will reach 76.5 percent of gross domestic product—the value of all goods and services produced in the United States—in 2019. It stood at 41 percent of GDP last year. The record was 113 percent of GDP in 1945.

Much of that debt is in foreign hands. China holds the most—more than $800 billion. In all, investors—domestic and foreign—hold close to $8 trillion in what is called publicly held debt. There is an additional $4.4 trillion in government debt that is not held by investors but owed by the government to itself in the Social Security and other trust funds.

INFLATION IS A THREAT

The CBO's 10-year deficit projections already have raised alarms among big investors such as the Chinese. If those investors started dumping their holdings, or even buying fewer U.S. Treasurys, the dollar's value could drop. The government would have to start paying higher interest rates to try to attract investors and bolster the dollar.

A lower dollar would cause prices of imported goods to rise. Inflation would surge. And higher interest rates would force consumers and companies to pay more to borrow to buy a house or a car or expand their business.

Most economists say we have time before any crisis hits. In part, that's because the recession has erased worries about inflation for now. In its effort to stimulate the economy, the Fed cut a key interest rate to a record low last December and is expected to keep it there possibly through all of next year. Demand for loans by businesses and consumers is so weak that low rates are not seen as a recipe for inflation.

Robert Reischauer, a former head of CBO, said that in an optimum scenario, Congress will tackle the deficits next year. A package of tax increases and spending cuts could be phased in starting in 2013 and gradually grow over the next decade.

Mr. ALEXANDER. I thank the President, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Delaware is recognized.

EXTENSION OF MORNING BUSINESS

Mr. KAUFMAN. Mr. President, I ask unanimous consent that morning business be extended until 5:30.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

IN PRAISE OF KENNETH E. CARFINE

Mr. KAUFMAN. Mr. President, I rise once again to recognize the service of one of America's great Federal employees. I feel fortunate to have a chance to stand here each week and share so many inspiring stories. Since the spring, I have recognized the contribution of public servants from a number of Departments, including Defense, Labor, Agriculture, and Justice, as well as Agencies such as NASA and CIA. Today, I will be speaking about an outstanding employee from the Department of the Treasury.

This is a time of great challenge to our economy, our markets, even the power of our currency. But the men and women of the Treasury and its various agencies and offices are working tirelessly on recovery and securing our prosperity. The impact they make through their daily work can be felt from coast to coast. Public servants at the Treasury Department serve on the front lines of job creation, public investment, and the management of tax income. They carry on the tradition of Alexander Hamilton, our first Treasury Secretary, who believed the health and prosperity of our Nation depended on the strong management and oversight of public funds. He laid the foundations of America's financial system, which the employees in the Treasury Department reinforce each day.

Kenneth Carfine has been serving the American people and the Treasury Department for 35 years.

A graduate of the University of Baltimore, Kenneth joined the Treasury Department's Financial Management Service in 1973, the same year I came to the Senate to work for then-Senator BIDEN. During his time there, Kenneth worked in banking, cash management, payments, check claims, and government-wide accounting.

In recent years, he has worked under the Fiscal Assistant Secretary, serving as an adviser to senior department officials. His intellect and diligence have been critical as the Treasury addresses economic recovery.

Earlier this year, Kenneth helped direct the Treasury's implementation of its responsibilities under the American Recovery and Reinvestment Act. He led the development of two new departmental programs aimed at spurring economic growth. One of them helps renovate affordable housing for struggling families, and the other funds renewable energy initiatives.

Kenneth has also earned respect as a leader in cash-and-debt management infrastructure. Americans who use a national debit card to receive their Social Security benefits have him to thank for leading the implementation of this program.

His hand has helped shape how the Treasury deals with debt financing, trust fund administration, cash management, and a range of services.

Kenneth Carfine and all of the hard-working employees of the Treasury Department are leading the way toward economic recovery and sound fiscal management of the taxpayer's money. I hope my colleagues will join me in thanking them all for their service to our Nation.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MERKLEY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHITEHOUSE. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. SHAHEEN). Without objection, it is so ordered.

Mr. WHITEHOUSE. Madam President, I ask unanimous consent to speak as in morning business for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH CARE REFORM

Mr. WHITEHOUSE. Madam President, I have spoken many times on this floor about the urgency of the need to reform our broken health care system, to expand access to insurance, to improve below average results, and to bring down costs. In a speech to the joint session of Congress, the President eloquently described the challenge of this moment:

> I am not the first President to take up this cause, but I am determined to be the last. It has now been nearly a century since Theodore Roosevelt first called for health care reform. And ever since, nearly every President and Congress, whether Democrat or Republican, has attempted to meet this challenge—in some way. . . . Our collective failure to meet this challenge—year after year, decade after decade—has led us to the breaking point.

We are at the breaking point for Nancy from Barrington, RI, a single mother and accomplished music teacher who lost her full-time job and currently teaches part time at a local university. Nancy has paid the full cost of health insurance out of pocket so her two children would not go without coverage. But now they have graduated from college, they are no longer eligible to be on her insurance policy, and they work at jobs that don't provide health care benefits. So Nancy is now thinking about selling her home, their childhood home, to prevent her family from going without health insurance. Nancy writes:

> Between the three of us, we are desperate for a workable solution to our health insurance needs. For the first time in my life I feel utterly disenfranchised by my own society.

We are at the breaking point, not just for Nancy but for so many Rhode Islanders who have shared with me their stories—stories of loss, stories of sorrow, stories of frustration, stories of personal and family disasters, in a treacherous health care system that offers all the care you need until you need it.

We are also at the breaking point nationally. Our country's economic future may well depend on the reforms and investments we now craft to control costs and wring savings from the system.

One measure of the potential savings is the recent report of President Obama's Council on Economic Advisers, comparing the share of America's gross domestic product spent on health care to the share spent by our industrialized international competitors, and evaluating the wide variation in health care expenses region to region within the United States.

The report estimates annual excess health care expenditures of about 5 percent of GDP. That translates to over $700 billion a year in excess cost. They are not alone. The New England Health Care Institute reports that as much as $850 billion in excess costs every year ''can be eliminated without reducing the quality of care.'' That is $850 billion.

Former Treasury Secretary O'Neill, the Treasury Secretary in the Bush administration, has written recently that the excess cost in our health care system is $1 trillion a year. The Lewin Group, a consulting firm that is well regarded on health care issues, has estimated that excess cost exceeds $1 trillion per year. So is it $700 billion a year? Is it $850 billion a year? Is it $1 trillion a year? Whatever it is, it is a savings target worth an enormous executive and legislative effort, particularly when the evidence is that achieving these savings will actually improve health care for the American people.

Where will these savings come from? Well, the savings await us in quality of care. For instance, the Keystone Project in Michigan reduced infections, respiratory complications, and other medical errors in some of Michigan's intensive care units between March 2004 and June 2005, a little over a year. The project saved 1,578 lives, 8,120 days that patients otherwise would have spent in the hospital but did not have to because they did not get the infections or the complications and, as a result, over 165 million health care dollars, just in Michigan, just in intensive care units, just in 1 year, and not all of the intensive care units.

In my home State, the Rhode Island Quality Institute has taken this model statewide with every hospital participating. We are already seeing hospital-acquired infections and costs declining. There is a similar opportunity in disease prevention. The Trust for America's Health found that investing $10 per person per year in programs that increase physical activity, improve nutrition, and prevent tobacco use could save the country more than $16 billion annually within 5 years.

Out of that $16 billion in savings, Medicare would save more than $5 billion, Medicaid would save more than $1.9 billion, and private payers would save more than $9 billion. So that is quality of care and prevention.

A third area for significant efficiencies and savings is the insurance industry's contentious, inefficient billing and approval process. The battle over approvals for treatment and claims for payment creates a colossal burden on our health care system, causing perhaps 10 to 15 percent of the insurance industry's expenditures because the hospitals and the doctors and the providers have to fight back. That 10 to 15 percent of the insurance companies' expenditures casts a cost shadow over the provider community which is probably bigger than the insurance industry spends, because they are less efficient at fighting back than the insurance company is at tormenting them.

It all adds no health care value. None. It is pure administrative costs and cost shifting. Rhode Island providers have told me over and over that half of their personnel are absorbed in this battle and not providing health care. They are at the doctor's office, they work there, but they are not providing health care. They are busy fighting with the insurance company.

Even the insurance industry estimates that $30 billion per year could be saved through simplifications of the process. That relates to a fourth area, the overall inefficiency and waste that plagues the private insurance market.

While administrative costs for Medicare run about 3 to 5 percent, overhead for private insurers is an astounding 20 to 27 percent. A Commonwealth Fund report indicates that private insurer administrative costs have more than doubled in the past 6 years. From 2000 to 2006, they increased 109 percent.

The McKinsey Global Institute estimates that Americans spend roughly